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By: **Delegates McHale, Hammen, and Krysiak**  
Introduced and read first time: March 2, 2004  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners' Property Tax Credit - Computation - Cost-of-Living**  
3 **Adjustment**

4 FOR the purpose of altering the computation of the homeowners' property tax credit  
5 for certain taxable years based on a certain cost-of-living adjustment  
6 percentage; requiring the Department of Assessments and Taxation to  
7 determine a certain cost-of-living adjustment percentage by a certain date  
8 based on the increase in a certain consumer price index for a certain period;  
9 providing for the application of this Act; and generally relating to altering the  
10 computation of the homeowners' property tax credit.

11 BY repealing and reenacting, without amendments,  
12 Article - Tax - Property  
13 Section 9-104(a)(13)  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2003 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - Tax - Property  
18 Section 9-104(g)  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2003 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article - Tax - Property**

24 9-104.

25 (a) (13) "Total real property tax" means the product of the sum of all property  
26 tax rates on real property, including special district tax rates, for the taxable year on  
27 a dwelling, multiplied by the lesser of the assessed value of the dwelling or \$150,000;  
28 and then reduced by any property tax credit granted under § 9-105 of this subtitle.

1 (g) (1) Except as provided in subsection (g-1) of this section, the property  
2 tax credit under this section is the total real property tax of a dwelling, less the  
3 percentage of the combined income of the homeowner that is described in paragraph  
4 (2) of this subsection.

5 (2) [The] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
6 percentage is:

7 (i) 0% of the 1st \$4,000 of combined income;

8 (ii) 1% of the 2nd \$4,000 of combined income;

9 (iii) 4.5% of the 3rd \$4,000 of combined income;

10 (iv) 6.5% of the 4th \$4,000 of combined income; and

11 (v) 9% of the combined income over \$16,000.

12 (3) (I) FOR EACH TAXABLE YEAR BEGINNING AFTER JUNE 30, 2005,  
13 EACH OF THE \$4,000 INCREMENTS SPECIFIED IN PARAGRAPH (2) OF THIS  
14 SUBSECTION SHALL BE INCREASED FOR THE COST-OF-LIVING ADJUSTMENT  
15 PERCENTAGE AS DETERMINED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

16 (II) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE DEPARTMENT  
17 SHALL DETERMINE THE COST-OF-LIVING ADJUSTMENT PERCENTAGE TO BE  
18 APPLIED FOR THE NEXT TAXABLE YEAR BASED ON THE INCREASE OF THE  
19 CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS IN THE WASHINGTON AND  
20 BALTIMORE REGION FOR THE MONTH OF MAY OF THAT YEAR OVER THE MONTH OF  
21 MAY OF THE PRECEDING YEAR.

22 (III) IF ANY INCREASE DETERMINED UNDER PARAGRAPH (3) OF THIS  
23 SUBSECTION IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE ROUNDED DOWN  
24 TO THE NEXT LOWEST MULTIPLE OF \$50.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 2004, and shall be applicable to all taxable years beginning after June 30,  
27 2005.